



Volume 9, No. 1 **A Publication of the REAL ESTATE APPRAISERS BOARD** **June, 2002**

Board Member Information

Board Members Complete Board Terms

Three Board members have completed their terms on the Board. During their years on the Board, these Board members helped shape administrative rules and address various legislative initiatives.

Gary Cuskey (Spooner) served on the Board from July 16, 1990, until January 29, 2002, as a public member.

Mary Reavey (Milwaukee) served on the Board from May 21, 1990, until February 28, 2002, as the assessor member.

Paul "Rick" Vozar (West Allis) resigned as a certified residential appraiser member effective April 24, 2002. Mr. Vozar served as Board Chair for the last 4 years. He was first confirmed by the Senate on May 17, 1994.

Members of the Board wish to recognize and commend these Board members for their dedication and years of service to the Board and the citizenry of Wisconsin.

THE WISCONSIN REAL ESTATE APPRAISERS BOARD

Board Members

LaMarr Franklin, Chair (Glendale)
Patrick Buckett, Vice Chair (Merrill)
Mark Kowbel, Secretary (Racine)
DeAnn Brosman (Appleton)
Dennis Farrar (Oregon)
Sharon Fiedler (Neenah)
Roger Roslansky (LaCrosse)

Administrative Staff:

Cletus Hansen, Division Administrator
Mary Forseth, Bureau Director

Executive Staff:

Oscar Herrera, Secretary
Greg Horstman, Deputy Secretary
Myra Shelton, Executive Assistant

Governor Appoints New Board Members

Governor Scott McCallum has appointed the following individuals to the Real Estate Appraisers Board.

Sharon Fiedler (Neenah) has been appointed as a certified residential appraiser member to a 4-year term that will expire May 1, 2006. Ms. Fiedler is a certified residential appraiser with Fiedler Appraisal and Associates.

Mark Kowbel (Racine) has been appointed as a licensed appraiser to an interim term. His term will expire May 1, 2004. Mr. Kowbel is an appraiser with Intrastate Appraisal in Racine.

Roger Roslansky (LaCrosse) has been appointed as a public member to an interim term that will expire May 1, 2004. Mr. Roslansky served for 8 years on the state examining board for architects. Mr. Roslansky is president of Roslansky Architecture.

Dennis Farrar (Oregon) has been appointed as a public member to a term that will expire May 1, 2003. Mr. Farrar has practiced optometry in Wisconsin since 1971 at offices in Oregon and Madison.

DeAnn Brosman (Appleton) has been appointed as an assessor member to the Board. Her interim term will expire May 1, 2003. Ms. Brosman is City Assessor for the City of Oshkosh.

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Secretary Herrera Appoints New Deputy

In January, Secretary Oscar Herrera, announced the appointment of **Greg Horstman** as the Deputy Secretary of Regulation and Licensing. Mr. Horstman, a La Crosse native, joined the Department from a distinguished executive management career in the private sector. "I'm excited to serve the State of Wisconsin under Governor McCallum and to play an instrumental role in Secretary Herrera's leadership team", noted Horstman. In concert with the Governor's directive to strengthen and streamline services to all constituents, Horstman will draw on his business experience to help spearhead the Department's new efforts in this area. Horstman, a graduate of the University of Wisconsin-Madison, resides in the Watertown area.

New Bureau Director Appointed

Mary Forseth has been appointed as Director of the Bureau of Business and Design Professions. Ms. Forseth came to the agency in October 2000 as an Administrative Policy Advisor to work on the reorganization of the licensing operation and creation of the new Division of Professional Credential Processing. Previously, she was with the Department of Transportation, most recently as Chief of New Program Development and Legislative Liaison for the Division of Motor Vehicles.

Katharine Hildebrand, former Bureau Director, was appointed to coordinate communications activities for the Department.

Creation of Real Estate Appraiser Education Advisory Committee

Upon the recommendation of the Appraisers Board, Secretary Herrera appointed a committee to study educational issues; both qualifying education and continuing education. The committee consists of board members, as well as members of the public, including an educator.

The formation of this committee addresses a recommendation made by the Appraisal Subcommittee following the Subcommittee's latest review of Wisconsin's program. In the letter the Subcommittee states: "*Wisconsin needs to implement a process to validate education claimed on licensing and certification applications. ... n bWisconsin awards education credit for substantially similar courses.*" The committee's role will be doubly important as the Appraiser Qualifications Board

is currently advancing a requirement to increase the qualifying education requirements for licenses and certifications.

The Committee is exploring ways to identify and institute a process for approving qualifying and continuing education courses, so that courses that are similar in nature are not claimed for credit. Since its inception, the committee has met three times. Currently, it is reviewing some of the systems in place in other states to see if Wisconsin can model a program and implement a plan that has a proven track record. The Board will keep all certified and licensed appraisers apprised as the work of the committee progresses.

Revisions to the Wisconsin Administrative Code

In 2001, the Department of Regulation and Licensing made numerous revisions to the rules that govern the regulation of certified and licensed appraisers. The revisions, which became effective on March 1, 2002, are available on the Internet at: <http://www.legis.state.wi.us/rsb/code/rl/rlhtml>.

Significant changes to the rules include the following:

I. Distance Education

The following revisions were made to the rules to reflect changes to the requirements for distance education contained in the Real Property Appraiser Qualification Criteria adopted by the Appraiser Qualifications Board of the Appraisal Foundation:

(A) Subsection RL 80.03 (7g) was created to define "distance education" to mean:

(a) For purposes of qualifying education, an educational course presented through an alternative delivery method, such as the internet or by teleconferencing, that provides some form of interaction between the learner and the instructor.

(b) For purposes of continuing education, an educational course presented through an alternative delivery method, such as the internet or by teleconferencing.

(B) Subsection RL 84.01 (6) was repealed and recreated to read:

(6) Credit may be granted for a distance education course that satisfies one of the following:

(a) The course is presented by an accredited college or university that offers distance education programs in other disciplines and satisfies all of the following:

1. Requires the learner to successfully complete a written examination proctored by an official approved by the college or university.
2. Relates to one or more subject areas identified under s. RL 84.02 (3), 84.03 (3) or 84.04 (3).
3. Meets all requirements for qualifying education established by the appraiser qualifications board of the appraisal foundation.

(b) The course is approved for college credit by the American council on education or approved by the appraiser qualifications board of the appraisal foundation under its course approval program and satisfies all of the following:

1. Requires the learner to successfully complete a written examination proctored by an official approved by the presenting entity.
2. Relates to one or more subject areas identified under s. RL 84.02 (3), 84.03 (3) or 84.04 (3).
3. Meets all requirements for qualifying education established by the appraiser qualifications board of the appraisal foundation.

Note: The American Council on Education may be contacted at: One DuPont Circle, NW, Washington, D.C., 20036, (202) 939-9300.

(C) Subsection RL 85.02 (7) relating to continuing education requirements was repealed and recreated. In addition to the requirements noted above for qualifying education, continuing education credit may be granted for a distance education course if the following occurs:

(a) The course is presented to an organized group in an instructional setting with a person qualified and available to answer questions, provide information, and monitor attendance, and satisfies all of the following:

Uniform Standards of Professional Appraisal Practice

The 2002 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) is

1. Relates to one or more subject areas identified under s. RL 84.02 (3), 84.03 (3) or 84.04 (3).
2. Meets all requirements for continuing education established by the appraiser qualifications board of the appraisal foundation.

II. Unprofessional Conduct

(A) Subsection RL 86.01 (6) was repealed because the conduct referred to in the rule is governed by the Competency Rule of USPAP. Section RL 86.01 (6), Wisconsin Administrative Code, stated that a certified or licensed appraiser shall not offer to perform, nor perform, services which he or she is not competent to perform through education or experience. The Competency Rule provides that prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or alternatively, must:

- a. disclose the lack of knowledge and/or experience to the client before accepting the assignment;
- b. take all steps necessary or appropriate to complete the assignment competently; and
- c. describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

(B) Subsection RL 86.01 (10) was created to read: (10)

After a request for information made by the board, failing to cooperate in a timely manner with the board's investigation of complaints filed against the licensed or certified appraiser. There is a rebuttable presumption that a licensed or certified appraiser who takes longer than 30 calendar days to respond to a request for information by the board has not acted in a timely manner under this subsection.

III. Uniform Standards of Professional Appraisal Practice

The complete text of the Uniform Standards of Professional Appraisal Practice ("USPAP") has been removed from the rules. Chapter RL 87, Appendix I now read as follows:

hereby incorporated by reference into this Appendix. The 2002 edition of USPAP is effective January 1, 2002 to December 31, 2002.

After January 1, 2002, copies of the 2002 edition of USPAP may be purchased from the Appraisal Standards Board of the Appraisal Foundation:

1029 Vermont Avenue, N.W., Suite 900,
Washington, D.C. 20005-3517, (202) 347-7722.

After January 1, 2002, copies of the 2002 edition of USPAP may also be obtained, at no charge, from the Appraisal Foundation's website at: <http://www.appraisalfoundation.org>.

Note: As required under s. 227.21, Stats., the attorney general and revisor of statutes have consented to the incorporation by reference of the 2002 edition of the Uniform Standards of Professional Appraisal Practice. After January 1, 2002, copies of the 2002 edition of the USPAP will be on file in the offices of the department, the secretary of state and the revisor of statutes.

Approved Distance Education Courses

To date, the Department has approved the following courses to be offered by "distance education."

Before registering for a course, always check with the program provider to be sure the course has been approved by the Department. The Department will accept distance education courses approved by the Appraiser Qualifications Board under its Course Approval Program. A list of AQB approved courses is available on the Internet at: www.appraisalfoundation.org.

Sponsor	Telephone #	Course Title	Hours
Allied Business Schools Inc	(949) 598-0875	Real Estate Appraisal	*90 pl & **ce
American Society of Farm Managers & Rural Appraisers	(303) 758-3513	Fundamentals of Rural Appraisal Internet Principles of Rural Appraisals Internet	40 pl & ce 44 pl & ce
Appraisal Institute	(312) 335-4100	On-Line 320: General Applications On-Line 420: Standards of Professional Practice Part B On-Line Appraising from Blueprints & Specifications On-Line Introduction to GIS Applications for REA On-Line The FHA & Appraisal Process On-Line The High-Tech Appraisal Office On-Line Residential Property Construction & Inspection	39 pl & ce 8 ce 7 ce 7 ce
McKissock Appraisal School	(800) 328-2008	Developing and Growing an Appraisal Practice Factory-Built Housing FHA Appraising Today Income Capitalization Information Technology & The Appraiser USPAP	10 ce 7 ce 7 ce 7 ce 7 ce

*pl – Pre-licensure course

**ce – Continuing Education course

Continuing Education Audit

Upon applying for renewal, every appraiser had to sign a certification, stating they completed the mandated 28 hours of continuing education. In order to assure compliance, the Department is currently conducting a random audit. Ten percent of licensed and certified real estate appraisers in Wisconsin, were asked to

complete a Continuing Education Attendance Record form and attach a Certificate of Completion for each program. The appraisers chosen for the audit, had to also indicate which course fulfilled the required 4 hours of professional standards and code of ethics. Results of the completed audit will be documented in a future issue of the Digest.

USPAP Question and Answer Bulletins

"USPAP Questions and Answers" are published by the Appraisal Standards Board (ASB) of the Appraisal Foundation. Current copies of the USPAP Q&A are available on the Internet at: www.appraisalfoundation.org.

The answers to the questions do not establish new standards or interpret existing standards.

The Q&A is issued to inform appraisers, regulators, and users of appraisal services of the ASB responses to questions raised by regulators and individuals; to illustrate the applicability of USPAP in specific situations; and to offer advice from the ASB for the resolution of appraisal issues and problems.

CONTINUING EDUCATION

Every appraiser must complete 28 hours of continuing education in each biennial renewal period. At least 4 of these hours must include instruction in the professional standards and code of ethics applicable to appraisers. Continuing education hours may be applied to the continuing education requirements for the biennial renewal period in which the hours were acquired and may not be carried over to the next biennial renewal period. The current biennial renewal period will end on December 31, 2003. That is the deadline for obtaining the required education. If an appraiser does not complete the education on time, his or her credential will not be renewed and he or she will not be permitted to use certain titles.

A person who initially receives a credential during the biennial renewal period must complete the continuing education, even though he or she has held the credential for only four or five months, for example, before the deadline date.

Disciplinary Actions

GARY M KUEHLING

EAGLE RIVER WI

SURRENDER

Failed to complete appraisal assignments. Advertised in a manner that is false, deceptive or misleading. Gave an oral appraisal value without subsequently preparing a written appraisal report. Violated USPAP's ethics provisions. Effective 1/30/2002. Secs. 458.26(3)(a)-(b),(e), 458.24, Wis. Stats. RL 86.01(1),(2), Wis. Admin. Code. Case #LS0201301APP

JAMES J MONETTE

MADISON WI

COSTS

His overall description of a property was not complete and accurate. His overall description of a site was not complete and accurate. Comparables used in his analysis were not truly comparable to the subject property, were not representative of the subject property, and were not the best ones available. His estimate of market value was not reasonable as of the effective date of the appraisal. Complete 15 hours of USPAP education. Pay costs in the amount of \$500.00. Effective 8/22/2001. Sec. 458.26(3), Wis. Stats. RL 86.01(1),(2),(5),(6), Wis. Admin. Code. Case #LS0108224APP

HELEN R PATENAUE

OCONTO WI

COSTS

Appraisal report did not adequately explain the adjustments made. There was conflicting adjustments and lack of adjustment for the basement. Complete four hours of approved USPAP training. \$300.00 costs. Effective 2/28/2001. Sec. 458.26(3), Wis. Stats. RL 86.01(1),(2),(6), Wis. Admin. Code. Case #LS0102281APP

RALPH H BAUCH

PORTAGE WI

SUSPENDED/FORFEITURE

Appraisals were not complete and accurate. Did not

accurately describe the buildings located on properties. Comparables used were not comparable to the subject property, nor representative of the subject market. Suspend six months effective 11/20/2001. Forfeiture of \$1,000.00. Sec. 458.26(3)(c), Wis. Stats. RL 86.01(1),(2),(5), Wis. Admin. Code. Case #LS0110311APP

JOHN D WALSH

NEW RICHMOND WI REPRIMAND/COSTS/LIMITED

Failed to comply with most of the rules and regulations and procedures required of a credentialed appraiser and, in effect, produced an "appraisal report" consisting of a minimal description of the premises inspected and a series of alleged "values" that were completely unsubstantiated by any credible analysis or evidence which report he submitted to the Department of Transportation over his signature in order to persuade DOT to pay an exorbitant sum of taxpayer moneys for a part of a real property that apparently was worth much less in value. Complete a minimum of 15 hours of commercial appraisal and/or eminent domain appraisal related education. Pay costs of \$500.00. Only allowed to perform residential appraisals. Shall perform no commercial or eminent domain type appraisals without the supervision and/or assistance of another certified general appraiser. The term of the supervision shall be for one year. Effective 6/27/2001. Secs. 458.26(3)(b),(c), 458.24, Wis. Stats. RL 86.01(1),(2),(6)Wis. Admin. Code. Case #LS0106271APP

THOMAS E HESS

NEW HOLSTEIN WI

SURRENDER

Failed to take and successfully complete the board ordered 29 hours of department-approved courses. Voluntary surrender effective 11/10/2001. Case #LS0110312APP

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Telephone Directory

The Department of Regulation and Licensing uses an IVR Auto-Attendant Telephone System. This system may be accessed 24 hours a day for computerized licensing information. We ask for your patience as we perfect the system and remove some of the bugs we have encountered. You may continue to dial the following telephone number; **however, the extension numbers that had been published in past issues of the Regulatory Digest are no longer valid.** Please listen to the new menu for the new extension numbers. The number to dial is:

(608) 266-5511

Our Fax Number is: **(608) 267-3816**

Visit the Department's Web Site at:
www.drl.state.wi.us

For our new "Online Verification of Credential Holders" click on the "License Lookup" button on the Department's home page.

Copies of the Regulatory Digest are on the Web.

Send comments to: web@drl.state.wi.us

Verifications

Requests for verifications of license, sent to other states must be in writing. **The cost is \$10.** Please make out check or money order to the Department of Regulation and Licensing.

Board Meeting Dates in 2002

June 26, August 28, October 30

All meetings are held at 1400 E. Washington Avenue, Madison WI, and are open to the public. Meetings are subject to cancellation without notice. Please call to confirm dates.

Wisconsin Statutes and Code

Copies of the "Statutes and Administrative Code for the Real Estate Appraisers Board" can be ordered from the Department. Include your name, address, county and a check payable to the Department of Regulation and Licensing in the amount of \$5.28. The latest edition is dated February, 2000.

Change of Name or Address?

Please photocopy the mailing label of this digest, make changes in name or address, and return it to the Department. Confirmation of changes is not automatically provided.

SECTION 444.11, STATS., ALLOWS FOR A \$50 PENALTY TO BE IMPOSED WHEN CHANGES ARE NOT REPORTED WITHIN 30 DAYS.

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